

Unified Proposal

Aidspan

An independent watchdog of the Global Fund, and publisher of "Global Fund Observer"

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Executive Summary

Billions of dollars have been given to the Global Fund. Millions of lives are being saved as a result. Therefore, if the effectiveness of the Fund and its grant implementers were increased even by a tiny degree, the human impact would be substantial. By working to ensure better use of Global Fund money, Aidsplan seeks to leverage impact of the Global Fund to an extent that is worth many times the amount of funding given to Aidsplan.

Aidsplan is a "loving watchdog" of the Global Fund. It wants nothing more than for the Fund to have the maximum possible impact. But the fact remains that there are many problems within the Fund and with the implementers of the Fund's grants; this became particularly clear during what was, for the Fund, a very difficult 2011. And many of these problems are hidden from sight. Who would know, looking at the Global Fund's country-specific web pages, that the Fund's grants to a few countries have been a disaster? And why is it that when such a situation arises, there is almost no accountability in the country in question, there is almost nobody there who wakes up at night sweating that they will lose their job?

Aidsplan seeks to use objective analysis of the Global Fund and its grants to increase awareness of what is working and what is not. Then people in authority and citizens can act to enhance accountability and impact.

An equally important aspect of Aidsplan's work is to demystify the Global Fund. The Fund has extremely complex forms to fill in and rules to be followed. So Aidsplan puts a lot of work into privately pushing the Fund on this, and into publicly explaining and critiquing the Fund and its requirements. When a Global Fund Board member told us, "Thank you so much for that article in today's *Global Fund Observer*, it really helped me understand that new policy that I voted for last week", it was clear there is a real problem.

Aidsplan, a small organisation with a big scope, moved its base from New York to Nairobi in 2007. It seeks support from a few donors who share its goals and approve its approach.

Aidsplan has raised \$3 million towards its 2012-2015 operations. Its 2012 budget is almost fully funded; it seeks further funding as shown below:

**Aidsplan donor contractual commitments, expenditure,
and desired additional funding, 2012-2015, in \$'000**

	2012	2013	2014	2015	2012-2015
Donor contractual commitments:	1,695	765	407	203	3,070
<i>Norad</i>	279	279			558
<i>The Monument Trust</i>	320				320
<i>DFID</i>	1,017	407	407	203	2,034
<i>Hivos</i>	79	79			158
Desired additional funding:	297	1,600	1,993	2,297	6,186
Total	1,992	2,365	2,400	2,500	9,257
Expenditure for 2012 (budget), 2013 (approx. budget), 2014-2015 (possible)	1,992	2,365	2,400	2,500	9,257

Why a "Unified Proposal"?

This document is called a "unified" proposal for two reasons. First, the same proposal is being sent to each potential donor. Second, this proposal incorporates all key sections from Aidspace's *Strategic Plan for 2010-2013*, Aidspace's *Annual Plan for 2012*, and Aidspace's *2011 Annual Report*, so readers will find all important information in one place.

From the beginning of the Global Fund in 2002, the Fund has not accepted project-based funding. All donors to the Fund have accepted the following principles:

- The donors cannot earmark their donations to the Global Fund – that is, they cannot impose conditions regarding which countries or projects will receive their money. Instead, all their donations are used by the Fund on an unrestricted basis, within broad parameters agreed by the Board.
- The Fund provides all donors with the same comprehensive plan, budget and reports.
- All donors attend a shared meeting with the Fund (the “replenishment meeting”) to discuss past work and future plans.

This concept is known as “**one plan – one budget – one report.**” It is an approach that Aidspace has adopted for its own donor relations because it has the following advantages:

- It enables each Aidspace donor to have a complete view of Aidspace rather than a view of just the part funded by that donor. This enhances transparency and accountability.
- It safeguards the strategic coherence of the Aidspace programme, and avoids the danger of Aidspace creating a programme made up of unlinked projects designed to appeal to different donors.
- It reduces the amount of time that Aidspace has to spend on writing proposals and reports, instead enabling that time to be spent on Aidspace’s core work.

Accordingly, Aidspace manages donor relations as follows:

- Aidspace supplies this Unified Proposal to all potential donors, who are asked to contribute towards the overall programme and budget without earmarking.
- If a potential donor only agrees to funding that is project-based, Aidspace’s Executive Director consults the Aidspace Chair before deciding whether to accept.
- Each funding agreement is independent of the other funding agreements; but Aidspace informs all donors of all these agreements.
- Each donor and potential donor is invited to a donor meeting that takes place in Nairobi during May or June each year. (The next one will be 19 June 2012.)
- Each donor receives the same annual plan, annual budget, annual report and audited financials.

The Global Fund

In April 2001, Kofi Annan declared that there should be a "war chest" of \$7-10 billion per year to finance the fight against AIDS. He proposed that much of this should be raised, and then disbursed, by a "Global Fund."

Within less than a year, the *Global Fund to Fight AIDS, Tuberculosis and Malaria* (www.theglobalfund.org) went from concept to reality. The Global Fund opened its doors in January 2002 with the stated objective of dramatically increasing funding for the fight against three of the world's most devastating diseases.

The Global Fund provides about 20% of all international financing for AIDS, about 65% for tuberculosis and almost 60% for malaria. The Fund has approved over \$22 billion in grants in 150 countries, and it estimates that programmes that it supports have saved over 8.6 million lives.

From the beginning, the Global Fund has had an astonishing range of supporters, from AIDS activists to US Republican Senators. This is largely because the Global Fund operates differently from traditional forms of foreign assistance: It uses a model that emphasizes control over grants by recipients, and it uses a business-like approach. The Global Fund's board includes not just donor governments, but also developing country governments, the private sector, foundations, non-governmental organisations (NGOs), and people living with the three diseases. The programmes to be funded are designed and run by the recipient countries, usually without the Global Fund telling them what it believes is in their best interest. Grant approvals are based purely on feasibility and technical merit, with no consideration given to ideological factors. With some grants, significant portions of the money are passed through to grass-roots NGOs. Overhead costs are kept as low as possible, with the Global Fund having no offices apart from the head office in Geneva. And the grants are "results-based," meaning that if the results promised by recipients are not delivered, the grant may be terminated and the money diverted to more effective programmes.

This no-nonsense, no-frills approach was aptly summarized by Richard Feachem, the Global Fund's first Executive Director, in six words: "Raise it. Spend it. Prove it." However, the sequence is really "Spend it. Prove it. Raise it." The Fund has to spend its money effectively. Then it has to prove that the expenditure had led to good results. Then it has to point to those results to persuade donors to give more.

Despite these strong and agreed founding principles, the Global Fund had a very difficult year in 2011. In January 2011 the Associated Press (AP) published an article entitled "Fraud Plagues Global Health Fund," based on public reports from the Global Fund's Office of the Inspector General (OIG) about corruption by grant-implementers in four countries. The story took off like wildfire. Alarmed, some of the Global Fund's donors held back on delivering their promised contributions pending clear action by the Fund to deal with fraud. Somewhat shell-shocked by the media and donor response, the already risk-averse Global Fund further tightened its procedures, leading for a while to a slow-down in disbursements and creating considerable difficulties for grant implementers. Meanwhile, the Fund set up a High Level Panel to review how the Fund managed risk in its grant-making. The Panel issued a report in September that was daunting in terms of the number of things it said need fixing. The downhill trajectory continued when the Global Fund, having launched its eleventh round of grant-making in August 2011, cancelled it three months later because of inadequate funding. Then came a final nose-dive when the Global Fund Board, after conducting an in-depth assessment of the managerial performance of the Fund's second Executive Director, concluded that he had to go. Another two months passed before he finally resigned.

Aidspan

Introduction

Aidspan (www.aidspan.org) is an international NGO whose **mission** is to reinforce the effectiveness of the Global Fund by serving as an independent watchdog of the Fund and its grant implementers through providing information, analysis and advice; facilitating critical debate; and promoting greater transparency, accountability, effectiveness and impact.

And Aidspan's **vision** is that the Global Fund will raise and disburse adequate money to fight AIDS, TB and malaria worldwide, with the Fund and the implementers of its grants being fully transparent, fully accountable, and achieving the greatest possible impact.

Aidspan was originally based in New York, but in 2007 it moved its base to Nairobi. Most staff are Kenyan. Aidspan's mandate relates to Global Fund activities and impact worldwide, not just in Kenya.

Aidspan activities have led to improved understanding of Global Fund procedures, freezing of grants and jail sentences for corruption, improved grant management in many countries, and widespread praise from varied stakeholders in developed and developing countries.

Aidspan's work falls into four main areas:

- *Conduct research* on the Global Fund, reviewing and critiquing the policies, actions, transparency, accountability and effectiveness of the Global Fund Secretariat, of its Board, of country coordinating mechanisms (CCMs), and of the implementers of Global Fund grants.
- *Publish information, analysis and advice* on the Global Fund. Aidspan does this through its widely-praised email-based newsletter *Global Fund Observer (GFO)*, currently received by nearly 10,000 subscribers in 170 countries, through *Aidspan Guides*, and through a comprehensive website.
- *Facilitate discussion*. Aidspan does this through mentoring local watchdogs, through workshops, and through high-level Round Tables.
- *Push for increased Global Fund impact*. Aidspan does this through commentary articles in *GFO*, through white papers, through private interactions with key actors, and as a natural consequence of the above areas of its work.

Aidspan's role, strategic approach, and core activities are summarized in the strategic framework shown on the following page.

Aidspan works only on Global Fund issues. It seeks to be of benefit to all countries interested in Global Fund issues, and to serve all sectors.

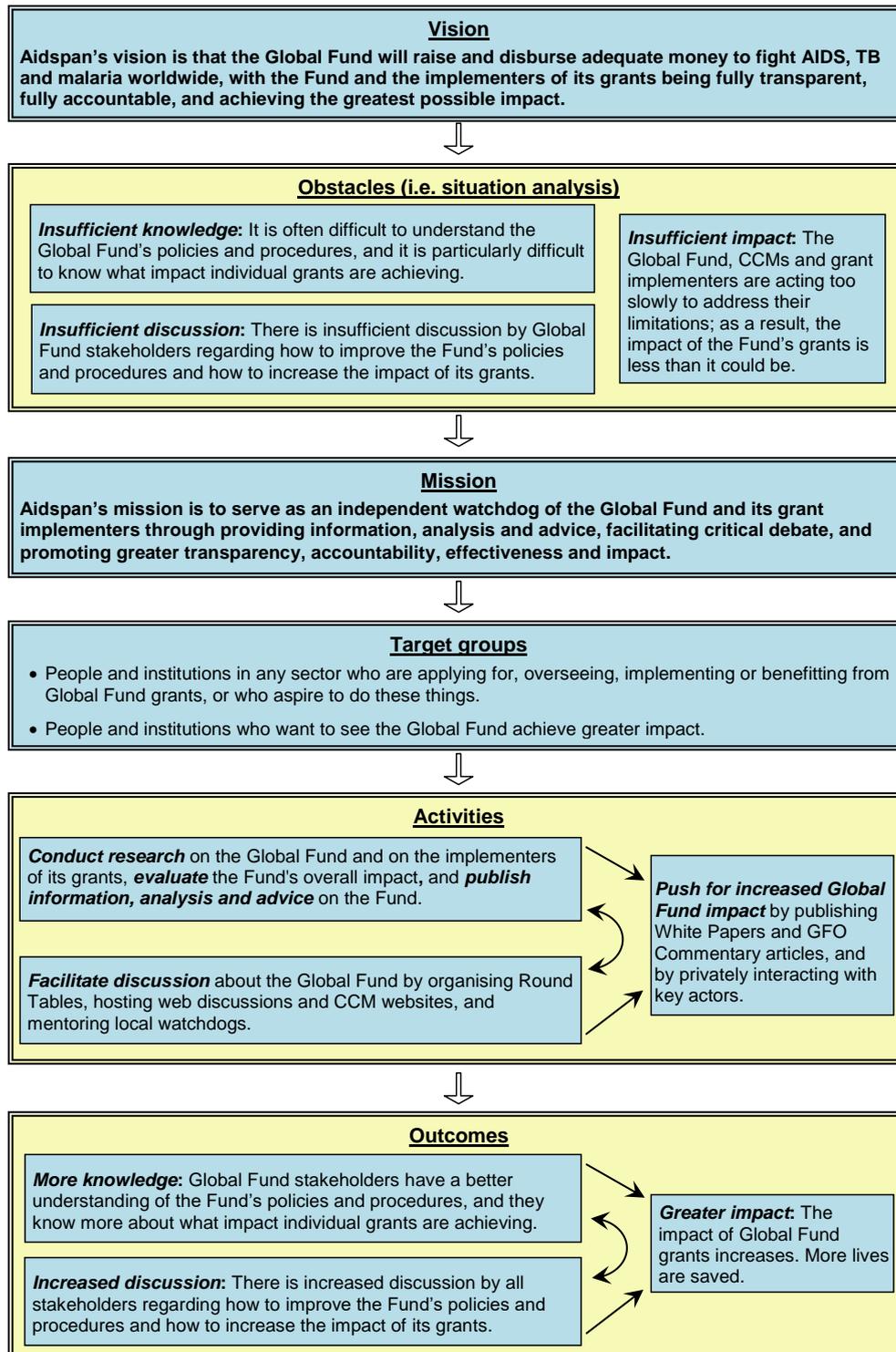
In April 2012, when Aidspan's Executive Director appeared before a UK parliamentary hearing on the Global Fund, he asked: Why is it that *The Beginner's Guide to the Global Fund* was written and published by Aidspan rather than by the Global Fund? Why is it that nearly 10,000 people, seeking clear explanations of what the Global Fund is doing and seeking timely information regarding developments, subscribe to *GFO* rather than attempting to obtain such information from the Global Fund itself?

Perhaps it's too much to expect a multi-billion-dollar fund for health – or indeed any other large and complex institution – to stand back and provide clear, concise and candid

information about its own inner workings. As one donor put it, “If Aidsplan didn’t exist, it would have to be invented.”

Aidsplan is a US-registered 501(c)3 not-for-profit corporation that has obtained permission from the Government of Kenya to base most of its staff and perform most of its operations in Kenya. Aidsplan believes that a watchdog committed to bolstering the effectiveness of the Global Fund and holding it accountable should be based in the global South, where Global Fund grants are implemented, rather than in the global North, where most of the money comes from.

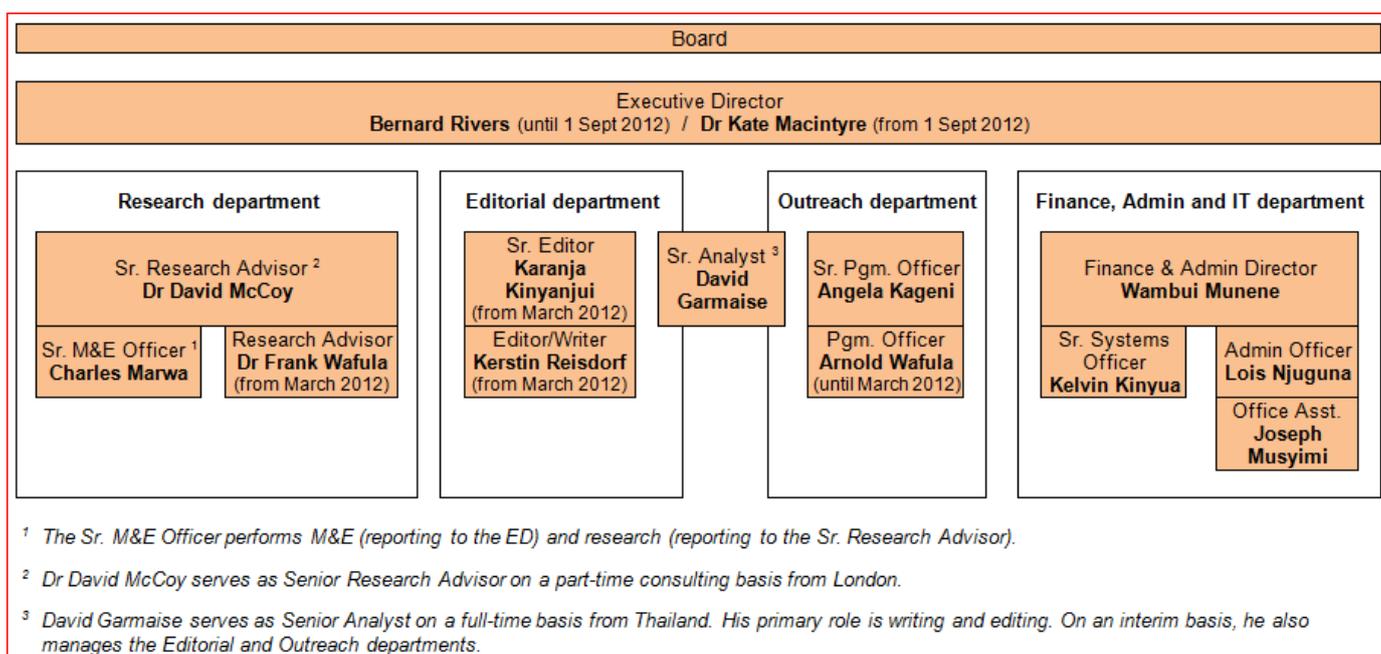
Strategic framework



Independence

Aidspan does not charge for any of its products or services. Aidspan and the Global Fund maintain a positive working relationship but have no formal connection. Aidspan does not accept funding of any kind from the Global Fund. Aidspan does not allow its strategic, programmatic or editorial decision-making to be influenced by the Global Fund or by relationships with actual or potential funders.

Staff



All Aidspan staff are citizens and residents of Kenya except for Bernard Rivers and Kate Macintyre (citizens of the UK and residents of Kenya), Kerstin Reisdorf (citizen of Germany and resident of Kenya), David Garmaise (citizen of Canada and resident of Thailand), and David McCoy (citizen of Malaysia and resident of the UK).

Board

The board of Aidspan is composed of six members, from the US, Rwanda, Kenya, the UK and South Africa, as follows, listed alphabetically:

- Dr. James Deutsch – *Executive Director, Africa Program, Wildlife Conservation Society, responsible for 1,300 staff in Africa; formerly CEO of the leading UK NGO involved in raising and disbursing funds for AIDS. Openly HIV-positive. US/UK dual citizen, based in New York.*
- Ida Hakizinka. *Permanent Secretary, Rwanda CCM; senior official in Rwanda Ministry of Health; formerly, Coordinator of the Management Unit handling all Global Fund projects in Rwanda; formerly, Economist, Rwanda Ministry of Finance and Economic Planning.*
- Michael Hirschberg – *Aidspan Chair. Partner of a large New York law firm; co-founder, Foundation for Treatment of Children with AIDS. US citizen, based in New York.*
- Lucy Ng'ang'a. *Executive Director, Eastern African National Networks of AIDS Service Organisations, EANNASO. Formerly Communications Focal Point of the*

“Developing Countries NGO” board delegation to the Global Fund. Kenyan citizen, based in Tanzania.

- Bernard Rivers – ex-officio. *Executive Director, Aidspace. UK citizen, resident of Kenya.*
- Prof. Alan Whiteside. *Founder and Executive Director, Health Economics and HIV/AIDS Research Division (HEARD), University of Kwazulu-Natal, South Africa.*

The board holds two two-day meetings per year, one in Nairobi and one in New York. Board members are not paid for their work.

Transition to new leadership

2011 was Aidspace’s tenth year, as it was the Global Fund’s. Early in 2012 we completed our two-year “Aidspace 1.5” phase, in which we transitioned from being an organisation that consisted of its founder plus a small support staff and a board to being an organisation that was adequately funded (with \$1 million raised for 2011 and \$3 million raised for subsequent years), that had reached its full complement of 13 staff (with three professionals joining us in March 2012), and that had appointed its second Executive Director (Dr Kate Macintyre, to start work in September 2012).

Dr Macintyre will take over the running of Aidspace on 1 September 2012. She was chosen after a worldwide search that produced over 100 applicants. She is a UK citizen with a master’s degree in public health (specialising in international health policy and management) and a PhD in health policy and social demography, and is resigning her position as a tenured Associate Professor at the School of Public Health and Tropical Medicine at Tulane University in the United States in order to join Aidspace. She is already based in Nairobi, Kenya, where she moved in 2007 to focus her research on HIV, TB and malaria in East and Southern Africa. The Board chose Dr Macintyre because of her perfect mix of experience working in Kenya and elsewhere on public health research, monitoring and evaluation, journalism and NGO administration.

Aidspace’s founder and current Executive Director, Bernard Rivers, will continue to write for Aidspace, and will provide strategic support as needed.

Financials

Historical expenditure



2011 income and expenditure ¹

A: Income and Expenditure, \$ '000 ²

	2011	2010
Income	1,090	900
Grant income	1,061	899
Other income	29	1
Expenditure	1,078	789
Programme expenditure	829	577
Administrative and other operating expenses	249	212
Deferred income for the year	12	111
Deferred income brought forward	473	361
Deferred income carried forward	485	473

B: Statement of Financial Position, \$ '000

	As at	
	31 Dec 11	31 Dec 10
Fund Balance		
Deferred income	485	473
Represented by		
Non-current assets	40	40
Current assets	470	469
Current liabilities	26	36
Net current assets	445	433
	485	473

C: Cash Expenditure (budget vs. actual) , \$ '000 ³

Programme Area	2011		
	Budget	Actual	% of budget
Expenditure	1,912	1,078	56%
Programme	1,603	829	52%
Conduct Research on the Global Fund	398	186	47%
Publish Information, Analysis and Advice on the GF	406	198	49%
Facilitate Discussion on GF Issues	244	110	45%
Push for Increased GF Impact	193	89	46%
Cross-Programme and IT-Related activities	112	71	63%
Planning & M&E, Support Board and Donors	212	175	83%
Programme Contingency	39	0	0%
Admin	309	249	80%
Administer Aidspan and Raise Funds	160	120	75%
Operational costs	141	129	91%
Admin contingency	8	0	0%

¹ Summarised from Aidspan's 2011 audited accounts (available separately).

² Table A is accrual based (and thus includes depreciation and amortisation charges), whereas Table C is cash based (and thus includes the full cost of capital investments in the current year).

³ Actual expenditure during 2011 was below the budgeted level because donor commitments were received later than anticipated

2012 budget

Table: Aidspace expenditure budget for 2012, \$ '000 and % of total

Programme-related (including all programme-related staff/consultant costs)		
1. RESEARCH	437	22%
1.1 GF in Geneva	139	7%
1.2 GF in the field	154	8%
1.3 GF impact	144	7%
2. EDITORIAL	453	23%
2.1 Publish <i>Global Fund Observer</i>	217	11%
2.2 Launch new web services	106	5%
2.3 Publish Guides and Reports	130	7%
3. OUTREACH	397	20%
3.1 Local watchdogs	137	7%
3.2 CCMs	53	3%
3.3 In-country accountability	87	4%
3.4 Networking	65	3%
3.5 Aidspace website	40	2%
3.6 Social media	15	1%
4. M & E	106	5%
4.1 Internal effectiveness	68	3%
4.2 External impact	38	2%
5. CROSS-PROGRAMME	55	3%
5.1 Support new Aidspace website	18	1%
5.2 Aidspace Portal Workbench	29	1%
5.3 Support CCM websites	8	0%
Programme Contingency	22	1%
Total programme-related costs	1,470	74%
Admin-related (including all admin-related staff/consultant costs)		
FINANCE & ADMIN	357	18%
Administer Aidspace	127	6%
Manage Human Resources	125	6%
Manage board and donor relations	97	5%
Maintain in-house ICT infrastructure	8	0%
OPERATIONAL	157	8%
Rent and other fixed overhead	74	4%
Office expenses	37	2%
Invest in equipment/technology	20	1%
Depreciation and amortization	0	0%
Professional fees	27	1%
Admin Contingency	8	0%
Total admin-related costs	522	26%
GRAND TOTAL	1,992	100%

Donors, donor commitments, and current funding needs

Aidspan received \$5.2 million in funding over the nine years 2003-2011, and has already received a further \$3.1 million in contractual commitments for the four years 2012-2015. Aidspan now seeks additional donors to provide a further \$6.2 million over the years 2012-2015. See below.

Further details regarding planned 2012 expenditure are provided in Aidspan's 2012 Annual Plan (next page) and budget (previous page), available in more detail separately.

Table 1: Aidspan funding history, and expenditure, 2008-2011, in \$'000

	2008	2009	2010	2011	2008-2011
Grants (received):	604	603	900	1,090	3,197
<i>Norway Foreign Ministry</i>	186	276			462
<i>Norad</i>			231	333	564
<i>The Monument Trust</i>	320	165	600	580	1,665
<i>Hivos</i>		118	69	149	336
<i>Open Society Institute</i>	25	25			50
<i>Merck & Co.</i>	50				50
<i>Other donors, and non-grant income</i>	23	19		29	71
Expenditure (actual):	584	625	789	1,078	3,076

Table 2: Aidspan donor contractual commitments, expenditure, and desired additional funding, 2012-2015, in \$'000

	2012	2013	2014	2015	2012-2015
Donor contractual commitments:	1,695	765	407	203	3,070
<i>Norad</i>	279	279			558
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Total	1,992	2,365	2,400	2,500	9,257
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2012 Annual Plan

Aidspan's *Aidspan Strategic Plan 2010–2013* (available separately) spells out how Aidspan seeks to increase the impact of the Global Fund through conducting research on the Fund; publishing information, analysis and advice; facilitating discussion; and pushing for greater impact. Our *2012 Annual Plan* (also available separately) sets out an ambitious programme of activities. A summary of the 2012 annual plan is as follows.

Programme unit	Broad activities
<p>1: Research Unit</p> <p><u>Objective:</u></p> <p>To undertake and publish high quality research about the workings and impact of the Global Fund and its grant implementers.</p>	<p>1.1: GF in Geneva: Research and critique the policies, actions, transparency, accountability and effectiveness of the Global Fund Secretariat and Board</p> <p>1.2: GF in the field: Research and critique the policies, actions, transparency, accountability and effectiveness of CCMs and the implementers of Global Fund grants</p> <p>1.3: GF impact: Research and evaluate the overall impact and effectiveness of the Global Fund and its grant implementers; compare the Fund with other funding institutions; and evaluate the Fund's working relationship with other institutions</p>
<p>2: Editorial Unit</p> <p><u>Objective:</u></p> <p>To increase, among Global Fund stakeholders, understanding of Global Fund-related issues, policies, procedures, outcomes and impact, and to advocate for improvement in these areas.</p>	<p>2.1: Publish <i>Global Fund Observer</i> (GFO)</p> <p>2.2: Launch new web services</p> <p>2.3: Publish Guides and Reports</p>
<p>3: Outreach Unit</p> <p><u>Objective:</u></p> <p>To increase in-country discussion about and monitoring of Global Fund-related activities.</p>	<p>3.1: Local watchdogs: Expand the Local Watchdogs Project to 10 new countries within East and Southern Africa</p> <p>3.2: CCMs: Implement activities that help improve the performance of CCMs</p> <p>3.3: In-country accountability: Work with partner organisations on ways to improve in-country accountability of Global Fund grants</p> <p>3.4: Networking: Participate in and support selected workshops and forums to increase Aidspan's visibility and impact</p> <p>3.5: Aidspan website: Finalise and launch Aidspan's new website</p> <p>3.6: Social media: Expand Aidspan's online presence using social media (Facebook and Twitter)</p>

Some 2011 Highlights

Responding to Global Fund problems

In the context of the Global Fund's very difficult year in 2011, Aidspan sought to find a balance between being a booster of the Global Fund and being a scold. Aidspan was also careful about timing: the ultimate leadership of the Fund is its Board, and when we learned of ideas that the Board was considering, we gave the Board time to deliberate before we commented publicly. Finally, even though Aidspan is an NGO, it serves all sectors. Thus, we attempt not to come across as a lobbyist for any particular sector or point of view.

Working both publicly and behind the scenes to push for greater impact

Aidspan is best known as the publisher of *GFO*. Prior to 2011, *GFO* published two dozen articles on the OIG, on the OIG's methods, and on the OIG's findings regarding corruption among grant implementers. Yet during that time, virtually no members of the conventional media wrote about the OIG. (This fact, amongst others, has led us to develop plans for increasing our press outreach.) Subsequent to the January 2011 AP story, there was significant negative media coverage of the Global Fund. Throughout the remainder of 2011, *GFO* reported and commented in depth on the Global Fund's problems (many of which were linked to OIG findings) and on the Fund's forceful efforts to address them – see, for instance, the Commentary excerpts in the section below on “What the Global Fund can't (or won't) say.”

Sometimes, however, Aidspan felt it could be more effective by operating behind the scenes. For instance, when Aidspan learned in late November 2011 that the Global Fund board was trying to persuade the Fund's Executive Director to resign, Aidspan held off on publishing this news, and instead worked behind the scenes to facilitate communications between some of the key players.

As a general rule, Aidspan seeks not to be perceived as being “in bed with” the Global Fund Secretariat. But on the other hand, we also seek not to be so critical of the Secretariat that we are no longer listened to, or that in net terms our work reduces rather than bolsters the effectiveness of the Fund. The Fund's senior staff certainly don't always respond happily to Aidspan's criticisms, but there is no question that they listen.

Aidspan can sometimes achieve quicker impact by sharing its critical comments with the Fund on a private basis than by waiting until things get worse and then publishing the criticisms.

During 2011, this happened in three main ways and in multiple minor ways. The first main example is that prior to the Global Fund's publishing its guidelines and application form for Round 11 applications, the Fund sent draft versions to Aidspan for comment. We made many private suggestions for improvement that were then adopted. This didn't prevent us from then critiquing the final versions when we published *The Aidspan Guide to Round 11 Applications to the Global Fund*. We also commented on the Fund's draft Health Systems Funding Platform proposal form and guidelines

The two other main examples are a detailed analysis of problems we encountered in accessing information and documents that should be available on the Global Fund website but are not, or that are hard to find; and an analysis of the challenges in accessing and interpreting data on the Global Fund website related to proposals, grant implementation and grant performance, and of the many shortcomings in the quality of such data. In both cases, we provided private critiques to the Fund, which led to some improvements. If improvements had not followed, we would have considered making those critiques public.

Growth in circulation and influence of GFO

During 2011 Aidsplan published 36 issues of *Global Fund Observer (GFO)*, against a target of 25. The number of articles was 183, against a target of 125. Furthermore, the number of subscribers increased by 12% to almost 10,000. Several *GFO* articles were widely discussed in Global Fund circles and led to changes at the Fund.

In mid-2010 Aidsplan published a Commentary entitled, *Is the Global Fund Living Up to Its Principles?* The Commentary pointed out that despite the Fund's commitment to performance-based funding (under which seriously underperforming grants are supposed to be terminated), not one Global Fund grant had been terminated at the end of Phase 1 during the previous three years, which happened to be the first three years in office of the Fund's second Executive Director. The *GFO* Commentary was reviewed at a high-level meeting of Global Fund management, and helped inspire a significant change of approach by the Fund that caused six such grants to be terminated during the subsequent year.

At the Global Fund's May 2011 Board meeting, much criticism was expressed regarding the Office of the Inspector General. Aidsplan then published a lengthy *GFO* Commentary entitled *Auditing the Auditor* that discussed the issues in depth. The Commentary was highly praised by some senior Global Fund officials and, as discussed below, led to *GFO*'s receiving and publishing Letters to the Editor from a Minister of Health, the heads of five principal recipients, a committee of the India CCM, and the Chair of the Global Fund Board. All the letters except the one from the Board Chair recounted negative experiences that the writers had had when dealing with the OIG. During the subsequent year, the OIG acted to address many of the criticisms.

Readers provide feedback on GFO

In 2011, Aidsplan undertook a survey to collect feedback regarding all Aidsplan publications, particularly *GFO*. All of *GFO*'s nearly 10,000 readers were invited by email to complete an online survey form, and an impressive 10% responded.

More than 90% of respondents "agreed" or "strongly agreed" with the statements that "*GFO* is helpful and practical to my work" and "*GFO* has increased my understanding of Global Fund issues." A very high proportion (94%) of respondents agreed that *GFO* articles were "easy to understand." About 83% of respondents indicated that they "always" or "sometimes" forward *GFO* to colleagues and friends.

In the survey, we also sought suggestions on ways we can improve our work. Respondents said that *GFO* should produce more stories from the ground, including examples of good practice as well as comparative case studies of different grants and different countries. Respondents also asked for more analytical and academic articles related to the Global Fund. Aidsplan is working to follow this advice.

Surveys of this nature will be undertaken more regularly in the future to ensure we are in touch with the information needs of our readers.

GFO News articles: concise, clear, jargon-free

Since Aidspace started *Global Fund Observer* in 2002, nearly 10,000 members of the Global Fund community (ranging from government ministers to activists) have subscribed, many of them saying that they find it to be an indispensable resource. Aidspace strives hard to produce concise clear articles that use straightforward jargon-free language. Here are excerpts from five of the 160 News articles that *GFO* published during 2011.

“NEWS: At Least 20 CCMs Now Have Their Own Websites: The number of CCMs with their own websites now totals at least 20. This article provides links to each of the sites, and provides a ‘wish list’ of the types of information and features that CCM web sites should endeavour to include.”

GFO 149, 8 Jun 2011

“NEWS: How the New Counterpart Financing Requirements Will Be Assessed: The Global Fund recently adopted new counterpart financing requirements for applicants. This article explains how the requirements will be assessed – both at the time of proposal review and when applicants submits requests for additional funding.”

GFO 153, 18 Jul 2011

“NEWS: Global Fund to Resume Disbursements for Grants to China: The Global Fund has lifted the temporary freeze on disbursements for its grants to China. However, not all of the concerns raised by the Global Fund when it imposed the freeze on China’s grants have been resolved. Discussions are continuing.”

GFO 157, 2 Sep 2011

“NEWS: Global Fund Updates Policy on Budgeting for Salaries and Benefits in Global Fund Grants: According to the Global Fund’s updated guidelines, salary and benefit levels in Global Fund grants should be based on relevant national remuneration levels and consistent with local market practice. Salary top-ups are permitted under certain conditions.”

GFO 162, 31 Oct 2011

“NEWS: Board Cancels Round 11 and Introduces Tough New Rules for Grant Renewals: Financial difficulties have caused the Global Fund Board to cancel Round 11. This difficult decision was made at a stressful two-day Board meeting just concluded in Accra, Ghana. The Board also announced new rules for grant renewals in an attempt to find savings that can be applied to funding new proposals.”

GFO 167, 23 Nov 2011

GFO Commentary articles: What the Global Fund can't (or won't) say

GFO's News articles don't contain opinions. But its Commentary articles do, as part of Aidsplan's "pushing the Global Fund for greater impact." Aidsplan does not allow its editorial decision-making to be influenced by the Global Fund or by Aidsplan's funders, which is why we feel free to write articles containing statements such as the following.

“The last ten days have shown how timid some of the Global Fund's donors can be when the going gets tough. The Fund has been severely penalised for doing what similar institutions have not had the courage to do.”

From *Donor Timidity* (GFO 140, 3 Feb 2011)

“The Report of the High-Level Panel is anything but dull. It represents, to the best of our knowledge, the first time that any global-level funding institution has commissioned and published such a candid look at itself. Many of the recommendations are worthy of very serious consideration. However, others raise as many questions as they answer.”

From *The Report of the High-Level Panel – Strong and Thought-Provoking, but with Worrying Flaws* (GFO 160, 13 Oct 2011)

“This morning, the Global Fund starts the most important and difficult Board meeting it has ever held. The only options for action involve causing pain. There are five problems that the board needs to deal with. Some must without question be tackled at this meeting. Other could be deferred; but the sooner they are tackled, the better.”

From *The Most Important and Difficult Global Fund Board Meeting Ever* (GFO 166, 21 Nov 2011)

“Unlike what some news reports have suggested, the Global Fund has billions of dollars in the bank, with billions more expected to arrive during the next two years. The problem is that most of that money will be needed for the current and renewal phases of existing grants. In addition, the Fund has introduced a more cautious methodology for estimating how much funding it will receive in future. These are the two main reasons why the Global Fund cancelled Round 11. It is not accurate to say that Round 11 was cancelled because of decisions by donors since May 2011 to cancel, reduce or delay their pledges, because that is not happening.”

From *Why the Global Fund Cancelled Round 11* (GFO 170, 9 Dec 2011)

“The Global Fund is renowned for its almost militant policy of transparency. But when something really important happens, something with enormous consequences for grant applicants, implementers and potential beneficiaries around the world, don't rely on the Global Fund to tell you about it. When the Board cancelled Round 11, its resolution did not include the word 'cancel.' Instead, the Board resolved 'to convert Round 11 into a new funding opportunity in 2014.' That's equivalent to my calling my hungry children to the dinner table and then, before they can eat, yanking away the meal and replacing it with a couple of raw potatoes, telling the kids that this represents 'a new feeding opportunity'.”

From *A New Funding Opportunity? Huh?* (GFO 170, 9 Dec 2011)

GFO Letters to the Editor: Grant implementers use GFO to speak out

One of Aidsplan's four strategies for increasing Global Fund impact is to inspire critical debate, and one place where this debate can occur is in the pages of *GFO*. After *GFO* published a Commentary *Auditing the Auditor* (*GFO* 147, May 2011) that was very critical of the Office of the Inspector General, *GFO* received a number of Letters to the Editor and printed them in *GFO* 148 and 150 (June 2011). Here are some excerpts:

“Behaviour of [some] members of the OIG team [was] less than appropriate and very unprofessional at times. Some OIG team members appeared to play a police rather than an auditing role. It was as if their motivation was to see us fail the audit.”

Agnes Binagwaho, Minister of Health, Rwanda

“There should be zero tolerance for corruption and theft, but different lapses deserve different reactions. To harm and, in the limit, to kill a [solid] PR is counterproductive and is a sheer waste of the funds that the OIG strives to protect.”

Elizabeth Mataka, head of ZNAN, a national NGO PR in Zambia, and former Global Fund Vice-Chair

“It would be a shame if overzealousness by the OIG had the unintended effect of weakening the Fund and slowing its work.”

Karl Hoffman, head of PSI, an international NGO PR

“By applying first world standards on third world capacity, tensions are bound to emerge. Many of our implementers do not have bookkeepers, computers or accounting systems, but they are doing fine work, impacting on people's lives.”

Derek von Wissell, head of NERCHA, a governmental PR in Swaziland

“The approach of the auditors was often that we were guilty until proven innocent. The OIG used policies issued in 2010 to evaluate transactions that took place in 2004, even though in 2004 the Global Fund and its implementers had much simpler systems.”

Karen Sichinga, head of CHAZ, a national FBO PR in Zambia

“While we may not agree with all aspects of the *GFO*'s analysis, we respect the constructive approach that both *GFO* and those who wrote the subsequent letters have taken. When we have not met our obligations, we will acknowledge it and improve.”

Martin Dinham, Chair of the Global Fund Board

Establishing a research programme

Aidspan's research unit was formed in late 2010, and throughout 2011 it consisted of less than one full-time-equivalent person. Part of 2011 was spent evaluating possible research activities for 2012 and later. The unit will conduct some original research (often in partnership with others), but it will also critique, summarise and help publicise research on the Global Fund that has been conducted by others.

Outputs during 2011 included three reviews of academic studies on the impact of selected Global Fund-financed activities (listed under "New Guides and Reports," below); a commentary on the Global Fund's response to corruption (*GFO* 141); a discussion of the International Health Partnership (*GFO* 149); and a response to a *Lancet* article calling for a "strategic revolution in HIV and global health" (*GFO* 151).

New Guides and Reports

During 2011, Aidspan published the following Guides and Reports:

- A Beginner's Guide to the Global Fund - 2nd Edition
- The Aidspan Guide to Round 11 Applications to the Global Fund
- Key Strengths of Rounds 8, 9 and 10 Proposals to the Global Fund
- Aidspan Report: What Readers Think about *Global Fund Observer*.
- Aidspan Review of a Study on Factors Influencing Performance of Global Fund-Supported TB Grants
- Aidspan Review of a Study on the Effect of Investment in Malaria Control on Child Mortality
- Aidspan Review of a Study on the Costs and Health Impact of Continued Global Fund Support for Antiretroviral Therapy
- Aidspan Critique of the Report of the High-Level Independent Review Panel

Building a more powerful and useful web site

Aidspan has designed and built (but has not yet released, pending the launch of our new logo and website design) a number of new web-based features. One of these will provide "significant event email alerts" to web users. With this feature, anyone will be able to sign up to receive an automated email message whenever there is a "significant event" regarding any Global Fund grant or country in which they have expressed interest. Such "events" will include approval or rejection by the Global Fund of a new grant or of a new phase of an existing grant; the signing by the Global Fund of a grant agreement; the sending by the Global Fund of a new disbursement for a grant; the issuing by the Global Fund of a grant performance report or a grant score card; and more.

Supporting local watchdogs

In earlier years, Aidspace's work with people at the grassroots level was very limited; we published *GFO* and other materials, but we had little in the way of face-to-face dealings with the country-level users of those materials. In 2010, we started an ambitious programme to identify and mentor people and organisations who could serve, informally and on their own terms, as country-level watchdogs of Global Fund-related activities.

We call this the Local Watchdogs Project. Our objective is to stimulate local information-sharing and critical debate in order to improve the transparency, accountability and effectiveness of Global Fund grants and their implementation.

The watchdogs include local NGOs, journalists, academics and individuals. They do not serve as Aidspace representatives, and Aidspace does not fund them. They work independently within their countries, but can call upon Aidspace for mentoring advice.

In 2011 we visited and assessed 80 organisations in 10 countries within East and Southern Africa, 43 of whom expressed interest. We trained 66 individuals in five countries on various aspects of "watchdogging" and effective monitoring of Global Fund grants. We developed and distributed a local watchdog information pack and are developing a guide on how to be an effective local watchdog, which we will publish at our website.

We also began encouraging country coordinating mechanisms (CCMs) to develop websites to provide a basis for in-country information-sharing and debate, thereby enhancing transparency and accountability in the implementation of Global Fund grants.

Some CCMs have used their own technology and web servers to host their CCM websites. But Aidspace is also offering a "CCM website service," under which we provide the server, the technology, a CCM website template, and technical support, with each CCM remaining entirely responsible for providing the content. During 2011, five CCMs in sub-Saharan Africa expressed strong preliminary interest in taking up this technology. Two of these are in the final stages of website content development.

Our experience has been that the simplest steps in information sharing can have a big impact on involvement and, indeed, on effectiveness of grant implementation. Publication of CCM minutes online, for example, can have a huge impact. Aidspace will continue to encourage CCMs to imitate the Global Fund's own admirable transparency policy.

Aidspace's Angela Kageni was invited to speak about this work at the Global Fund's 2011 Partnership Forum in Sao Paulo and at a regional Global Fund meeting in Rwanda, where her presentations were highly praised.